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OLC 78-1736/3

25 August 1978

MEMORANDUM FOR THE RECORD

SUBJECT: 21 August 1978 Meeting Concerning H.R. 12171,
the "Federal Accounting and Auditing Act of 1978"

1. On 21 August 1978 the undersigned, together with [redacted]
Jr., Chief, Legislation Staff, Office of Legislative Counsel, and [redacted]
[redacted] Office of the Comptroller, met with representatives of the FBI
and Mike O'Neil, Chief Counsel, HPSCI, and Bernie Raimo, also Counsel
to the HPSCI, to discuss H.R. 12171, the "Federal Accounting and
Auditing Act of 1978." Also present was Annette Smiley, HPSCI staff.

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2. The meeting, called by Mr. O'Neil, focused on the issue of how
to deal with the bill which was introduced in April by the Chairman of
the House Government Operations Committee, Jack Brooks, and which
subsequently was ordered favorably reported by the same Committee,
notwithstanding strong opposition to the bill expressed by CIA and
the Justice Department. At our urging Representative Boland, Chairman,
HPSCI, requested "sequential referral" of the bill to consider the
intelligence equities involved.

3. After posing a series of questions with regard to the extent of
confidential funds expenditures by the FBI and the CIA, Mr. O'Neil informed
us that Chairman Boland is now under pressure by Representative Brooks
to clear the bill through HPSCI. We were told that in an effort to get
the bill cleared and out of HPSCI Mr. Brooks has asked Mr. Boland to
request the Intelligence Community for amendatory language that would
cover our concerns. Representative Brooks in the meantime is delaying
filing the Committee Report on H.R. 12171 until Chairman Boland notifies
him of amendatory language acceptable to the Intelligence Community.

4. OLC representatives underscored the fundamental authority of the
DCI at stake in the bill and pointed out our main concerns with specific
provisions in the bill. We also emphasized the CIA's view that the issue
of GAO review of confidential funds transactions is best left to the
charter legislation deliberation process, pointing out that at the same
time we were meeting an SCC Charter Working-Level Group was considering
the same matter in an effort to come up with an Administration position
on section 123 of the charter legislation which addresses the same issue

covered in part in H.R. 12171. Mr. O'Neil did not seem too terribly seized with either the fundamental authority at issue in the bill or the importance of leaving the issue to be fully addressed in the context of the charter legislation deliberations. In his opinion every piece of legislation impacting on intelligence equities it could be argued should be left to the charter legislation process. In closing, Mr. O'Neil asked us to attempt to draft amendatory language to satisfy Community concerns and get back to him by 23 August.



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Assistant Legislative Counsel

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